1:Gallin E-4,5 (1957-1958) 1966
AD5 Taiwan Hokkien AD5

probably more than one-half of these loans are made to tenant farmers and to people who are both landowners and tenants. However, the funds available for such loans are limited, and can therefore play only a small part in alleviating the rural credit situation.

In 1958 there were also two types of loan systems sponsored by the provincial Food Bureau and administered by the Pu Yen Farmers' Association. One system, called Sheng Ch'an Tai K'uan, "Money Lending for Production," makes available through loans small amounts of cash directly proportional to the amount of land the borrower operates (owns or rents). For each *chia* of land he operates a farmer can borrow NT $600. Farmers who operate small amounts of land, like the majority of Hsin Hsing farmers, therefore do not like to borrow money under this plan since the amounts are too small and involve too much red tape. An additional, and perhaps greater, disadvantage of this system is that the money borrowed, plus the interest, must be paid back in rice rather than in cash. The rice to be repaid is not calculated at the market price but at the rather lower official price. Consequently, the farmer must pay back much more rice than he could have bought with the money he borrowed plus the interest.

The other Food Bureau loan plan is to aid poor people who do not have enough rice to eat. These people may borrow brown husked rice (unpolished) at a low interest rate. This rice loan must then be repaid in new unhusked rice. According to an employee of the Farmers' Association, the brown husked rice loaned out by the Food Bureau under the administration of the Farmers' Association is rice stored in the association warehouses which the Food Bureau wishes to get rid of before it spoils. The only people who are eligible for such a loan are poor people who grow rice.

The government Land Bank also offers loans, but these are usually made to large landholders who want the money to engage in business, offering their land as security. Thus, in times of financial need most small farmers must still resort to private moneylenders who require little security but charge interest rates of about 3.6 percent per month. Such loans are frequently for short terms because the interest rate is so very high. The moneylenders are usually landlords or former landlords and businessmen who have cash on hand and engage in such business as an investment. However, there are also small farmers who happen to have some cash on hand and lend it for a short time at the same high interest rates. These men will also sometimes lend small sums of money for a short time without interest to someone with whom they are intimate—some *ch'in tsu* or *ch'in ch'i*, or even some very close friends who are not related to them in any way.

Another common means of borrowing money in the Hsin Hsing area, and in urban centers, is through a moneylending club. These

1:Gallin E-4,5 (1957-1958) 1966
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this type of landholding belongs to a *tsu* group. The *tsu* may be a very large one which dominates a whole village, as in many Taiwanese villages, or it may be one of many small *tsu* groups in a village such as Hsin Hsing. In Hsin Hsing only a few of the *tsu* groups own such land, which represents only 3.2 percent of the total land owned by Hsin Hsing villagers. Almost half of this corporate land is the house land for *tsu* members. Almost all of the cultivated corporate land, about 0.5 *chia*, belongs to one of the larger *tsu* in Hsin Hsing, the K'angs. Most of their land is unofficially rented out to two of the *tsu's* own members, who then pay rent of 37.5 percent to the *tsu*. The money is used for some of the *tsu* expenses such as religious ceremonials or the repair of the *tsu's* main ancestral-worship room.

In the official land tenure records, the corporate land is listed in the name of some members of the *tsu* group; it is not recorded as rented-out land. In the several cases of corporate landholdings in Hsin Hsing, the *tsu* members listed as owners in the records are long since deceased, but their names are still carried in the books. The cultivated portions of the corporate lands are administered by respected *tsu* elders. Generally, in Hsin Hsing the *tsu* group pays little concern to its corporate lands, since the amount of them is actually insignificant.[4]

LAND REFORM AND THE LANDLORD

The government compensated landlords for lands expropriated in 1953, but because of the unstable economic situation the compensation was not in cash; 70 percent was paid in land bonds and 30 percent in Government Enterprise Stockshares. In order to insure the value of the bonds against the fluctuations in currency values, they were issued to the former landlords on a commodity basis and, at maturity, were to be paid in kind instead of in cash. Rice was to be paid in return for expropriated paddy land and sweet potatoes for dry land. The principal and interest at 4 percent per annum on the land bonds are being paid to the former landlords over a ten-year period in twenty equal semiannual installments (a payment schedule notably similar to that made by the purchasers of the land from the government). The land bonds are transferable and can be sold on the open market or used as security in financial matters (Chang, 1954:76–77; T'ang, 1954:147–151; 154–165).

After the restoration the national and provincial governments owned 70 percent of the industrial enterprises in Taiwan. These had been taken over from the Japanese at the end of the war. At that time, it was the desire of the Nationalist Chinese government to transfer all public enterprises to private owners except those relating to national defense, those of a monopolistic nature, and those affecting utilities.